Cushon Master Trust
Implementation Statement

1st January 2025 to 31st December 2025

Build a feel good future

Contents

Introduction and Summary

This statement is the Annual Implementation Statement (the "Statement") of the Cushon Master Trust (the "Scheme") covering the Scheme year from 1st January 2025 to 31st December 2025. This Statement should be reviewed in conjunction with the Scheme's Climate Change report in line with the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD"), the Scheme's Statement of Investment Principles ("SIP") and the Scheme's Responsible Investing ("RI") policy. These documents are available on the Cushon by WTW website.

The purpose of this Statement is to advise how responsible stewardship has been carried out by the Trustees of the Cushon Master Trust. This is achieved through:

- Advising of any changes within the Scheme year to either the SIP or the RI policy.
- Informing of how the SIP and RI policy have been adhered to throughout the Scheme year.
- Describing how the Trustees have engaged with stewardship requirements through utilising its voting powers inherent in those investments held by the Scheme throughout the Scheme year.

This Statement is intended to meet the requirements under the Occupational Pension Schemes (Investment & Disclosure) (Amendment) Regulations 2019, which were introduced on 1st October 2020. The Trustees intend to demonstrate adherence to the SIP and RI Policy by detailing:

- Actions the Trustees have taken to manage the financially material risks and implement the key policies within the SIP;
- The steps in place to ensure the default investment strategies remain in the best interest of Scheme members;
- The current approach to Environmental, Social and Governance ("ESG") factors (including actions taken by the fund managers to mitigate ESG risks on behalf of the Trustees);
- The extent to which the Trustees have followed policies on engagement covering engagement actions with their fund managers, and in turn the engagement activity of those fund managers with the companies within their investment funds;
- The most significant votes cast on behalf of the Scheme between 1st January 2025 and 31st December 2025;
- How the Scheme's fund managers have voted in line with the Trustees' stewardship priorities.

The Trustees' objective is to maximise returns for their members, adjusted for risk and inflation, regardless of when they take their benefits. The Trustees also recognise their duty to invest responsibly, taking into consideration the risks and opportunities linked to ESG factors. To help guide their responsible investment practices, the Trustees have adopted a climate risk framework that seeks to balance portfolio resilience, real-world decarbonisation and portfolio decarbonisation. Of these factors, portfolio resilience is the main priority (outside of just climate risk) as the Trustees are seeking to build a portfolio that protects members' benefits in various future scenarios. The Trustees also aim to invest in the world that members will retire into and take into account members' future standard of living in retirement when making investment decisions.

To direct the investing, voting and engagement, and governance of the Scheme, the Trustees apply the SIP, RI policy and Stewardship Policy. The Trustees confirm that the policies set out within these policies have been appropriately followed throughout the Scheme year to the 31st December 2025.

During the period covered by this Statement, the Trustees made changes to the SIP to remove reference to the Workers Pension Trust ("WPT") across all policies, as WPT members have been transitioned to Cushon investment strategies. Previously they were held in the Scheme under an alternative default strategy. The Trustees have also updated their policy on Private Markets within the SIP, included consideration of additional risks, and removed a self-select fund that the Scheme disinvested from. These changes are discussed in more detail below.

The Trustees have also updated their RI Policy to reflect the fact that their interim scope 1 & 2 carbon intensity reduction targets have been achieved, and to highlight work being done across 2025/26 to embed new climate risk targets. This is discussed in more detail in the Trustees' 2025 Climate Change report. The RI policy has also been updated to reflect the inclusion of the Aviva Investors Carbon Removal Fund in the Cushon Sustainable Investment Strategy.

These policies are being updated again in 2026 and the Trustees will report on these changes within the Implementation Statement of the applicable Scheme year.

Additionally in the last Scheme year, the Trustees have undertaken engagement activity on voting rights. Significant votes and engagements are highlighted within this Statement as well as details of overall voting and engagement statistics for the Scheme year.

Roger Mattingly (Chair)

For and on behalf of the Trustees of Cushon Master Trust

Policy Considerations

Review and Updates of Policies Within the Year

This Statement covers the latest updates to the policies included in the SIP and RI Policy which were in force during the Scheme year (latest version dated February 2024). The Trustees have updated the SIP again in January 2026. The latest version can be found here: Cushon Master Trust SIP. The Trustees are also in the process of updating the RI Policy and Stewardship Policy for 2026, but this has yet to be finalised at the time of publishing this Statement. The latest documents can be found here: RI Policy, Stewardship Policy.

The Trustees' policies cover the following areas in order to comply with relevant regulations:

- The Scheme's investment strategy, including governance considerations;
- Policies for managing financially material considerations including ESG factors and climate change;
- Policies and priorities on the stewardship of the investments;
- An explanation of how the default investment strategies are in the best interest of members;

The Trustees regularly review the Scheme's policies to ensure that these documents align to the current economic climate and the positioning of the investment strategy (incorporating a future economic outlook). Based on these reviews the Trustees determine if any updates are required in order to permit the Trustees to discharge their fiduciary duty.

During the Scheme year to 31st December 2025, the Trustees:

- Closed the WPT default strategies and moved members to CMT investment strategies;
- Updated their policy for investments in private market assets;
- Incorporated consideration of concentration risks;
- Removed a self-select fund from the Scheme's offering;
- Achieved their interim decarbonisation targets;
- Committed capital to a natural capital fund

As a result, the following key changes were implemented in the SIP and RI policy:

All policies were updated to reflect the consolidation of the Workers Pension Trust default strategy into the Cushon Sustainable Investment Strategy. This involved removing details of investments, glidepath and expected returns/volatility.

Within the SIP, the Trustees policy on private market assets was updated to reflect the Scheme's alternative default that does not include private assets. Whilst Trustees are supportive of illiquid assets, they appreciate the need to offer a strategy with lower costs.

The risks monitored within the SIP have been updated to include consideration of concentration risks. Whilst already considered implicitly, the Trustees now reflect this explicitly in risk considerations

The Trustees removed a self-select fund from the scheme - the Cushon Global Impact Fund. Following trustee monitoring it was decided the fund was no longer appropriate due to performance and the level of impact achieved versus the default.

During the scheme year the Trustees achieved their interim decarbonisation targets, of an 80% reduction in Scope 1 + 2 CO_2e versus a 2022 baseline. Notes were added to policies to reflect ongoing work to set new targets

The Trustees committed to the Aviva Carbon Removal Fund to fill their natural capital allocation in the Cushon Sustainable Investment Strategy. Details of this fund were added to policies to reflect the strategy and targets.

Other changes included minor changes to the wording to improve readability, and improve clarity around responsibilities (highlighting Trustees, Scheme Funder, and advisers where appropriate).

To implement the changes within the Trustees' policies, advice was sought from the Trustees' Investment Adviser to confirm that changes were in line with the Trustees' investment strategy. Prior to this, documents were discussed by the Trustees with Cushon MT Limited (the Scheme Funder) and the Trustees' legal adviser. Following these engagements, updates were approved by the Trustees and implemented in April 2025. The RI Policy was further amended in November 2025.

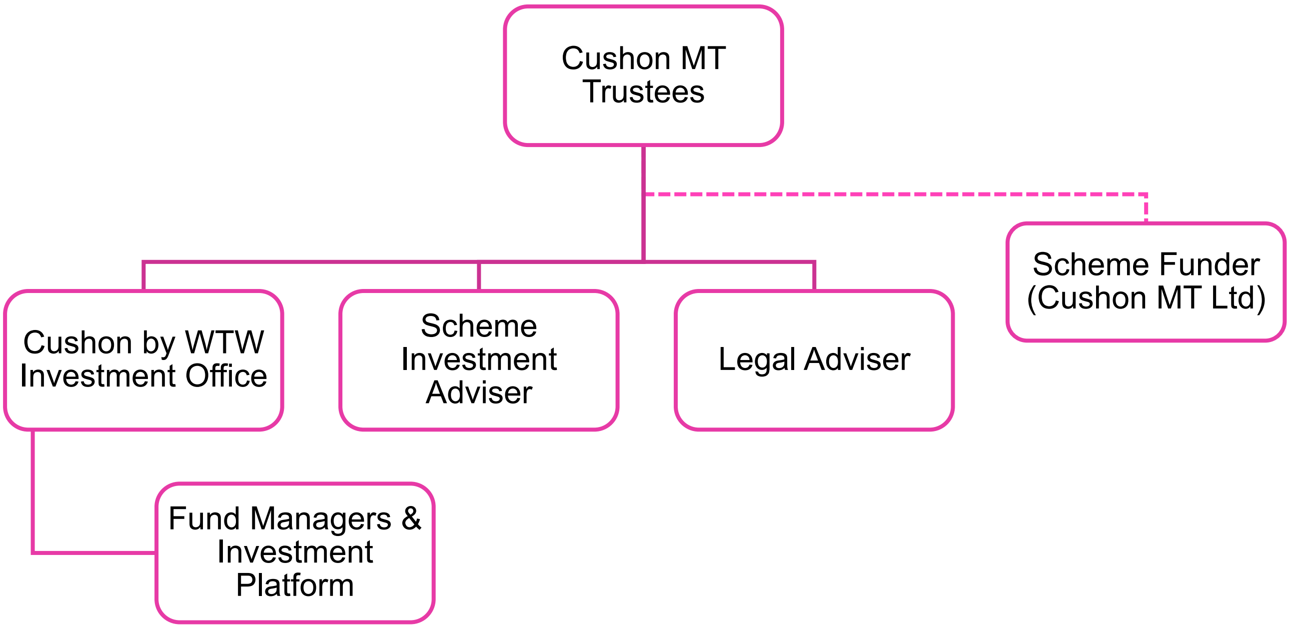
Further changes have been implemented to the SIP in January 2026 (and further changes are expected to the RI Policy and Stewardship Policy), but as these changes occurred outside of the applicable Scheme year the Trustees will report on them in the subsequent Implementation Statement.

Adherence to the SIP and RI Policy

It is the opinion of the Trustees that they have adhered to the SIP, RI policy and Stewardship Policy. The below sections of this Statement provide detail on what processes and controls have been followed throughout the Scheme year to ensure this adherence has occurred.

Governance

The Trustees are responsible for the governance and investment of the Scheme's assets and are required to make important decisions on the investment strategy, with support from the Cushon Investment Office and advice from their Investment Adviser and Legal Adviser as appropriate. Day-to-day aspects are delegated to fund managers or advisers as appropriate, and the Scheme Funder is consulted when reviewing investment strategy issues. The diagram below provides a high-level overview of the governance structure:



The Trustees have effectively utilised this governance structure in the Scheme year to prepare climate risk reporting in line with the recommendations from the TCFD (the "Climate Change Report"). This report outlines how climate risks and opportunities are considered across the Scheme, including governance activities, strategic considerations and risk management. The Climate Change Report has led to the creation of climate targets which are included in the Trustees' Investment Beliefs (see below).

During the Scheme year, the Trustees have also exercised their responsibilities, as outlined in the SIP, RI Policy and Stewardship Policy to assess the performance of advisers/fund managers, communicate with members and add/remove investments across strategies and self-select offerings. The Trustees perform these duties via monthly meetings focused on investment considerations and at least quarterly meetings for formal decision making. The Trustees' Investment Adviser and Cushon Investment Office attend all these meetings, whereas fund managers, legal advisers and the Scheme Funder attend as required.

Investment Beliefs

The Trustees formulated a set of investment beliefs in 2022 to be considered when developing the investment strategy. These are explained in detail within the SIP. These beliefs are reviewed annually and, where known, the Trustees take members' views and preferences into consideration when developing their investment beliefs over time, to the extent that to do so does not conflict with their legal obligations and fiduciary duties as pension scheme Trustees. During the 2025 Scheme year the Trustees' investment beliefs were reviewed but no changes were suggested. However, additional work was completed to analyse the Trustees' fiduciary duty. Following work with the legal firm Eversheds Sutherland, the Trustees are now seeking to take into account members' future standard of living in retirement when making investment decisions. At the time of writing in 2026, the Trustees are going through a more detailed review of their investment beliefs, which will be used to refresh the Trustee's investment strategy. This is expected to be completed in H2 2026, and reflected in policies by the end of 2026.

To guide investments, the Cushon Investment Office prepare proposals and analysis in accordance with these beliefs, and the Trustees' Investment Adviser creates in depth due diligence that satisfies the specific regulated investment advice that the Trustees require.

Responsible investment is incorporated into the analysis, and the Trustees have invested in opportunities that increase the strategies' exposure to responsible investment factors. The Trustees have also followed the investment governance reporting framework to monitor the implementation and management of the investment funds, including the implementation of responsible investment strategies.

Ultimately investments have been selected which maximise returns for members adjusted for risk and inflation. Risk considerations include responsible, sustainable and social factors, which reflects the Trustees' belief that responsible investment factors can be rewarded when properly considered. The Trustees' evidenced this belief in 2025 by making a formal commitment to the Aviva Investors Carbon Removal Fund on the 21st of May 2025, to fill their allocation to Natural Capital which was agreed in 2024.

Underpinning the responsible investment considerations are the Trustees' climate targets. The Trustees achieved their interim decarbonisation target in 2025 which has led to the establishment of new climate targets in 2026. These targets are based on the Scheme's Climate Risk Framework, that consists of three components (portfolio resilience, real-world decarbonisation and portfolio decarbonisation):

1. Aim to secure access to detailed data to better measure our portfolio's economic exposure to transition and physical risks under credible climate scenarios, using non-linear models across public and private asset classes. By 2027, we target improved coverage and the inclusion of this data in portfolio design.
2. By 2030, we aim to avoid at least 500,000 tonnes of CO_2 via investment in renewable infrastructure, thus supporting the transition to a low-carbon economy and contributing to UK energy security
3. For the growth stage of our default strategy we commit to maintaining a portfolio that has a scope 1+2 carbon intensity (tCO_2e/\$m invested) at least 60% lower, and up to 80% lower, than our composite benchmark as of 2022.

The Trustees also have a longer-term target to be net zero well in advance of 2050, however, this is reliant on the decarbonisation of the broader economy. Further detail on these targets can be found in the latest iteration of the Climate Change Report published alongside this statement. The Trustees will monitor progress towards these targets on an annual basis and they may be changed/updated as required.

To help inform these investment beliefs, the Trustees are exploring ways to better incorporate member views and preferences in 2026.

Investment Options

The Trustees have established default investment strategies which have been selected in the best interest of the majority of members and beneficiaries. These are managed on the Mobius Life Limited investment platform by underlying fund managers (as detailed in the SIP).

During the Scheme year to 31st December 2025 the Trustees removed the default investment strategy and self-select investment options that were established for the WPT. Members of the WPT were transitioned into the Cushon Sustainable Investment Strategy from April 2025.

In 2025, the Trustees added the Aviva Carbon Removal Fund to the Cushon Sustainable Investment Strategy to fill the allocation to natural capital that was agreed in 2024. This is a private market fund which invests in global nature restoration/development with the aim of generating financial returns alongside carbon removal. Further detail on this investment can be found in the SIP and RI Policy.

During the year, the Trustees also made the decision to disinvest from one of the self-select funds, the Cushon Global Impact Fund, and remove it from the Scheme. The Cushon Global Impact Fund (of which the underlying fund was the Baillie Gifford Positive Change Fund) was removed in May 2025 following a period of careful monitoring. This considered both fund performance as well as the philosophy and process in managing the assets. Following discussions with the Trustees' investment adviser it was also concluded that the investment impact objectives could be better achieved by investing in the Scheme's default strategy which has continued to be enhanced since launch.

Trustee Policies

Within the SIP the Trustees outline policies which they follow to support investment management (including realisations and security of assets), ESG considerations, responsible investment and stewardship. Within the Scheme year to 31st December 2025, the Trustees adhered to these policies and amended them to remove the WPT investment strategies (as discussed above). The Trustees also slightly amended their policy around investment in private market assets.

The policy on private market assets sets out the Trustees' stance towards unlisted assets, and outlines the processes followed in order to manage associated risks. This includes rigorous due diligence and liquidity monitoring processes. The Trustees have now reflected consideration of their alternative default strategy, Cushon Core, that does not include private markets. Whilst the Trustees are supportive of investment in illiquid assets, this change acknowledges that some members would prefer to avoid the illiquidity and reduce costs.

In accordance with policies around ESG, the Trustees make available appropriate self-select options to allow members to invest their pension pot to express different beliefs. In 2026, the Trustees are exploring other ways to engage with members and survey their preferences in line with ESG policies.

The RI policy was updated during the 2025 Scheme year in accordance with the Trustees' policy on the matter. The Trustees' Investment Adviser and the Cushon Investment Office both supported the review process.

All of the Scheme's policies documents have undergone further review and change in 2026. These changes will be reported on in the Implementation Statement for 2026.

Stewardship Priorities

During the 2025 Scheme year the Trustees maintained their stewardship priorities. These priorities were communicated with fund managers to provide clear direction on the Trustees' expectations around voting and engagement. These priorities are as follows:

1. Climate alignment – decarbonising and minimising emissions
2. Climate adaptation
3. Biodiversity risk and management
4. Labour rights incl. modern slavery
5. Diversity and inclusion (on boards in particular)

The Trustees also completed their process in which fund manager's stewardship capabilities are assessed against the Trustees' priorities. As this process is performed the Trustees will engage with the fund managers, typically via the Cushon Investment Office, on proposed areas of improvement if necessary.

The Trustees review how fund managers have voted and engaged throughout the scheme year, and significant votes/engagements are identified that relate to the Trustees stewardship priorities. Details of each fund manager's stewardship activities are included within the Voting and Engagement sections of this Statement.

Monitoring and Fees

In accordance with this section of the SIP, the Trustees have:

- Monitored the performance of the Fund Managers in accordance with the criteria specified in the SIP
- Monitored the advice received from their advisers
- Assessed their Investment Adviser against the investment objectives
- Maintained relevant records of decisions they have taken
- Reviewed fees charged by the fund managers and investment platform provider
- Documented conclusions around value for members in the Scheme's annual report and accounts.

Risks

As a part of the Trustees' fiduciary duty, the Trustees are responsible for ensuring that any financially material risks and opportunities are considered. As such, the Trustees have identified a number of key risks which are detailed within the SIP. These have been monitored as part of a Trustees' Risk Register with necessary actions tracked routinely.

An additional risk was added during the scheme year that covers concentration risks. This risk reflects Trustee concerns about large exposures to a single asset or market, and it is mitigated through appropriate diversification across the Scheme's assets. This risk is now tracked within the Scheme's risk register, with details of relevant controls that are required to reduce the impact and likelihood of the risk.

The implementation of the default investment strategies and the actions taken within normal governance provide the Trustees with the structure to effectively manage the risks which have currently been identified. The changes detailed within this Statement demonstrate the Trustees' ongoing commitment to manage the Scheme in a way that mitigates these risks in an appropriate manner.

A key component in managing the identified risks is the advice received from the Trustees' advisers. The Trustees will continue to assess their Investment Adviser on an annual basis against their investment objectives. During the 2025 Scheme year this assessment was completed in January and it will be completed again for 2026.

The table below provides details of all the risks that are monitored by the Trustees, and specific considerations which were considered during the 2025 Scheme year. For each risk there are a number of sub-risks that the Trustees use to help track specific areas and the Trustees assess the likelihood and impact of each risk pre and post mitigation.

Risk	Consideration During the Scheme Year
Fraud	This risk is managed via 5 sub-risks covering the Trustees' bank arrangements/payments and members' benefits. Controls include various procedures that protect bank transfers, ensure correct settlement of benefits, and help to make members aware of possible scams. During the 2025 Scheme year, a new risk was recorded in the register around bribery. This reflected the existence of the Trustee's anti-bribery policy and to formally record consideration of the Bribery Act 2010. Further controls were also highlighted to prevent the unauthorised transfer of assets between funds/investment platforms. This decreased the likelihood of occurrence.
Funding & Investment	This risk is managed via 10 sub-risks covering the investment approach, advice received, financial sustainability and ESG risks. Controls include procedures that ensure the Trustees are appropriately reviewing their Investment Adviser and maintain processes that mitigate risks facing the Scheme's investments. During the 2025 Scheme year the Trustees identified a new sub-risk within the investment strategy regarding the use of performance fees in illiquid funds. The risk highlights the potential unfairness to members. Controls implemented include the investment due diligence and advice received on proposals, which consider performance fees and tracking by the Custodian.
Responsible Investing & Climate Change	Whilst these are a subset of Funding & Investment risks, this area is a key focus for the Trustees (in line with DWP guidance) as demonstrated by the dedicated RI policy and annual Climate Change Report. This is due to the expected financial materiality of ESG risks. These risks cover the risk of ESG considerations not being reflected in investment strategies, regulatory requirements, and the risk of poor member outcomes due to climate change. Controls include consideration of annual climate risk reporting and the integration/regular review of ESG considerations in the investment strategy.

Compliance/ Regulatory	This risk is managed via 4 sub-risks covering the Pensions Regulator ("TPR") and HM Revenue & Customs ("HMRC") requirements as well as other regulatory reporting. Controls detail processes that ensure timely production of Scheme documents and the Scheme's business plan and continuity strategy. During the 2025 Scheme year, the Trustees took action against a risk surrounding core financial transactions. This led to increased reporting from the administrator and regular discussions between the administrator and the funder. Processes were improved by delivery teams within Cushon.
Operational/ Administration of Connected Parties	This risk is managed via 20 sub-risks covering benefit calculations, audits, member communications, contributions, cyber security/data requirements, systems & processes and Scheme documentation. Controls include a number of policies that the Trustees maintain and agreements with the Scheme administrators. During the 2025 Scheme year: Further controls were added surrounding the administration service provider following concerns around their performance. This was raised directly and led to increased reporting and monitoring. Risk likelihoods and impacts were increased regarding the administration service delivery. Actions implemented to visit the administrator and increase reporting. Actions were implemented to review the Scheme's documentation (including the Deed and Rules). Actions were implemented to review the Trustee Governance Plan to ensure systems and processes were in line with Scheme documentation Controls were improved around cyber security following the Funder achieving ISO27001 certification. Controls were improved around IT systems through the Funder's attendance at regular meetings. Controls were improved around complaints handling, through regular assurance testing completed by the Funder.
Scheme Management	This risk is managed by 10 sub-risks that could impact the management of the Scheme, from loss of service from advisers/service providers to a lack of Trustee succession planning considerations which could lead to poor Trustee oversight. Controls include agreements in place with appointed advisers that set out service level standards, and policies that ensure the Trustees have suitable training and duly consider Equality, Diversity and Inclusion ("ED&I") best practice. During the 2025 Scheme year, actions were taken surrounding value for members. This was done via pilot assessments being completed in line with the upcoming Value For Money Framework that is expected to be implemented in 2028.
Risks Relating to Ongoing Projects	This area of the Risk Register changes regularly and is used to assess and mitigate risks surrounding ongoing projects linked to the running of the Scheme. During the 2025 Scheme year, risks relating to completed projects were retired (such as the WPT migration) and new risks tracked surrounding the member migration of the Creative Pensions Trust and Pensions Dashboard.

Engagements

The Trustees delegate engagement activities to the underlying fund managers and they communicate their voting and engagement expectations of fund managers via their Stewardship Policy. The Trustees have requested details on engagement actions from the fund managers of all the funds within the default investment strategies for 2025.

During the Scheme year, the Trustees completed their annual assessment of the fund managers' stewardship practices and were satisfied that the underlying managers continue to engage with investee companies in line with the Scheme's stewardship priorities. Improvements were noted particularly within the private markets portfolio, as the manager was able to provide more significant examples of engagements having held assets for a more meaningful period (previously the scheme was in ramp up and had not implemented their stewardship strategy). An example of one such engagement is included below.

The Trustees are also pleased to see that fund managers are not only engaging with investee companies, but also working to influence broader industry participants and policymakers. This is in line with the Trustee's aims to engage with policymakers and influence the way in which climate risks are considered in the industry (in particular focused on the idea of climate risk resilience).

The Trustees have elected to use the Engagement Reporting Guide from the Investment Consultants Sustainability Working Group ("ICSWG") to facilitate transparent reporting and create comparable data between fund managers. The use of this guide also assists the Trustees in reviewing the stewardship approaches of the underlying fund managers.

With regard to engagement data:

- Any new fund managers that are added to the Scheme must confirm compliance with these reporting requirements prior to appointment, in line with the Scheme's procurement process.
- The Trust Deed and Rules states that the Trustees have the power to delegate their investment powers and may appoint investment managers (fund managers), custodians or nominees to hold assets on their behalf.
- The sum of engagements shown in the table below may not add up to the "total engagements" total as some engagements may fall under more than one of the Environmental, Social, Governance and 'Other' categories.

Below is a breakdown of engagements by fund manager that had Scheme assets invested at some point in the Scheme year. For details of each fund manager's approach to stewardship please see the appendix.

Cushon Sustainable Investment Strategy & Cushon Core

Cushon White-Labelled fund	Underlying fund	Number of entities engaged	Total number of engagements	Climate-related engagements	Social-related engagements	Governance-related engagements
Cushon Global Equity	Macquarie Sustainable True Index	35	57	21	29	40
Cushon Global Equity	J.P. Morgan Mansart	n/a	n/a	n/a	n/a	n/a
Cushon Multi Asset Growth	Schroders Climate +	55	91	24	13	55
Cushon Global Bonds	Lombard Odier TNZ Global IG Corporate	7	8	8	0	0
Cushon Global Bonds	Wellington Global Impact Bond Fund	95	280	95	67	928
Cushon Global Bonds	NinetyOne Global Total Return Credit	16	19	n/a	n/a	n/a
Cushon Global Bonds	L&G Future World Corporate	122	261	224	22	189
Cushon Inflation-Linked Government Bonds	L&G Over 5 year Index Linked Gilts	n/a	n/a	n/a	n/a	n/a
Cushon Sterling Cash	L&G AR Cash Fund	5	10	7	1	6

Note: The J.P. Morgan Mansart fund was added at the end of 2025 and there was no data available for the relevant reporting period.

The Trustees do not have access to a split of engagements by priority for NinetyOne due to their methodology broadly incorporating ESG considerations across their themes (strategic, general and advocacy).

There is no data available for the Cushon-Inflation-Linked Government Bonds fund as L&G does not record data for some government bond funds.

Cushon Self Select Options

Cushon White-Labelled fund	Underlying fund	Number of entities engaged	Total number of engagements	Climate-related engagements	Social-related engagements	Governance-related engagements
Cushon Sustainable Global Equity	L&G Future World Global Equity Index Fund	1056	1394	1185	58	331
Cushon Sustainable UK Equity	L&G Future World UK Equity Index Fund	155	291	187	22	205
Cushon Sustainable Europe (ex UK) Equity	L&G Future World Europe (ex UK) Equity Index Fund	149	189	209	4	43
Cushon Sustainable Japanese Equity	L&G Future World Japan Equity Index Fund	77	106	115	9	27
Cushon Sustainable North American Equity	L&G Future World North America Equity Index Fund	215	281	277	15	110
Cushon Sustainable Pacific ex Japan Equity	L&G Future World Asia Pacific (ex-Japan) Developed Equity Index Fund	47	62	65	0	25
Cushon Sustainable Emerging Markets Equity	L&G Future World Emerging Markets Equity Index Fund	420	474	558	2	11
Cushon Global Impact	Baillie Gifford Positive Change Fund	20	33	19	33	34
Cushon Sustainable UK Corporate Bonds	L&G CCAT Future World GBP Corporate Bond Index Fund	122	261	224	22	189

Cushon Index-Linked Gilts	L&G Y All Stocks Index-Linked Gilts Index	n/a	n/a	n/a	n/a	n/a
Cushon Fixed Interest Gilts	L&G AA All Stocks Gilt Index	n/a	n/a	n/a	n/a	n/a
Cushon Shariah	HSBC Islamic Global Equity Index Fund	48	83	60	47	53
Cushon Cash	L&G AR Cash Fund	5	10	7	1	6

Note: There is no data available for the Cushon Index-Linked Gilts and Cushon Fixed Interest Gilts funds as L&G does not record data for some government bond funds.

Data for the Baillie Gifford Positive Change Fund covers data for the full Scheme year, however the Trustees disinvested in May 2025.

Following communication of the Trustees five stewardship priorities, fund managers have identified the following engagements from 2025 as significant in line with these priorities. Where possible, the Trustees have detailed the results of these engagements.

Case Study: Wellington Engagement with the UK Debt Management Office

Target organisation	UK Debt Management Office (DMO)
Rationale for Engagement	This engagement is an example of industry collaboration completed by an investment manager on behalf of the Trustees. The UK DMO is responsible for debt and cash management for the UK Government, which includes the governments Green Financing Framework. As a significant issuer of bonds relevant to Wellington's portfolio, they engaged on the incorporation of nuclear energy in the UK Green Financing Framework, to give feedback from the perspective of a potential investor. Nuclear energy will begin to be included from 2026, following announcements at the Government Spending Review that nuclear is considered essential to achieving clean power by 2030.
Actions taken	Wellington met with the DMO and HM Treasury where they discussed that nuclear energy would be implemented gradually in line with the timelines set out in the Spending Review. The government also highlighted that they would be iteratively seeking investor feedback, and avoiding any abrupt shifts in green financing. The share of green issuance directed to nuclear will be market driven, depending on investor demand and market capacity. Wellington discussed allocation mechanics and transparency, highlighting that the inclusion of nuclear may prevent investors with hard exclusions from purchasing bonds. The DMO confirmed that existing green gilts will not have allocations to nuclear, but running parallel frameworks can create legal and operational challenges.

	In terms of reporting, the DMO confirmed that all new green gilt issuances will follow the updated framework with allocation reporting and annual updates on the use of proceeds.
Outcomes and Next Steps	Wellington will continue to engage with the DMO on the inclusion of nuclear energy in the Green Financing Framework. They will monitor implementation and hope to see: • Granular allocation reporting during early phases of nuclear inclusion • Clear articulation of safeguards and management of negative externalities • Maintenance of core KPIs to ensure accountability and allowing for comparability across time series.

Case Study: Legal & General Engagement with Toronto-Dominion Bank

Target organisation	Toronto-Dominion Bank
Rationale for Engagement	This is an example of an escalation in engagement activity completed by an investment manager on behalf of the Trustees. This company came in focus for L&G after they received a record $3bn fine from US regulators due to anti-money laundering failures. For L&G, this led to questions around the board composition and skillsets, and it was a necessary action for them to address the failures for which they were penalised for. L&G encourage disclosure of the attributes and skills that individual directors bring to the board, and how these fit with the combined skill set of other incumbent directors and with the long-term strategic direction of the business.
Actions taken	L&G set objectives with the Bank to: achieve further board refreshment and banking experience; discuss improved culture and whistleblowing; obtain comprehensive information on board evaluation and experience. They spoke with the company on the topics outlined ahead of the Bank's 2025 AGM. As well as a discussion with the Chair of the Board and other company representatives, they had email-based exchanges on these topics. They set out their questions and outlined their expectations in this area. They also undertook a review of the desired skillsets and backgrounds of the nominees proposed at the 2025 AGM.
Outcomes and Next Steps	The Bank were unwilling to provide comprehensive information on board evaluation and experience, which led to L&G voting against the re-election of 7 directors as a demonstration of their dissatisfaction with governance at the Bank. This objective was marked as failed. Other investors also did not support the re-election of a number of directors, with some only receiving c.75% of support from shareholders. L&G continue to engage with the Bank on the need for further board refreshment and improving the culture and whistleblowing. This emphasises their belief that the Bank needs an appropriate collective skillset and to address the corporate culture.

Case Study: Schroders Engagement with BTG Pactual

Target organisation	BTG Pactual
Rationale for Engagement	This is an example of a combined engagement across social and environmental issues, completed by and investment manager on behalf of the Trustees. Schroders engaged with BTG Pactual based on their aims for robust climate target-setting, credible deforestation policies and measurable impact in financial inclusion. The engagement aligns with their policy to enhance transparency on financed emissions and strengthen responsible lending practices. Their objectives were to: (i) improve measurement of financed emissions, (ii) encourage development of a comprehensive deforestation policy, and (iii) assess and support initiatives promoting SME financing and financial literacy.
Actions taken	Schroders engaged with BTG Pactual directly, focusing on climate targets, deforestation commitments and financial inclusion. Discussions explored the challenges in calculating financed emissions, the benefits of an overarching policy framework for deforestation, and information about the bank's social impact strategy. Schroders introduced the bank to the Joint Impact Model tool – a tool used by another of their portfolio companies. This tool improves measurement practices around financed emissions by estimating financial flows throughout the economic system. The engagement was led by the investment team, with a solutions-oriented and collaborative approach aimed at enhancing internal capacity and aligning sustainability practices with international standards.
Outcomes and Next Steps	BTG Pactual are now considering the JIM tool and Schroders have achieved increased transparency about the banks climate measurement challenges. BTG Pactual have also expressed a willingness to explore a comprehensive deforestation policy framework. Schroders also gained comfort around the Bank's renewed focus on financial literacy initiatives which supports their inclusive finance objectives. Schroders will continue monitoring developments in climate reporting and deforestation governance, having set clear expectations for progress. They will follow up on measurable targets and implementation milestones to ensure alignment with environmental and social best practice.

Voting

As with engagement activities, the Trustees delegate voting activities to underlying fund managers, and the Trustees communicate their voting expectations via their Stewardship Policy. Voting activities only occur in the direct equity and multi-asset funds within the default investment strategies and self-select funds. In general, holders of debt instruments do not have voting rights. The Trustees have requested details from relevant fund managers and examples of the most significant votes.

The investments with voting rights were in pooled funds during the 2025 Scheme year. The fund managers therefore hold all voting rights for these funds and the Trustees hold no voting rights. However, the Trustees have communicated their stewardship priorities to fund managers and provided examples of votes they deem to be significant (via their Stewardship Policy).

As noted above, the Trustees completed their annual assessment of the fund managers' stewardship practices and were satisfied that underlying fund managers were voting in line with the Scheme's stewardship priorities. However, the Trustees have noted an overall decline in environmental and sustainability shareholder proposals, and as such there has been less alignment to the Trustees' climate-related stewardship priorities. This is predominantly due to shifts in regulatory guidance in the US, but also due to an increasing focus on engagement as opposed to public resolutions. The Trustees continue to view climate change as a stewardship priority (for both voting and engagement) and will communicate this to managers accordingly.

Below is a high-level overview of voting activity performed on behalf of the Trustees during the 2025 Scheme year:

Cushon Sustainable Investment Strategy and Cushon Core

Cushon White-Labelled fund	Underlying fund	No. of meetings eligible to vote at	No. of resolutions eligible to vote on	% of resolutions voted on for which were eligible	% voted with management	% voted against management	% abstained from voting
Cushon Global Equity	Macquarie Sustainable True Index	1,252	1654	98.71%	92.65%	7.35%	0.12%
	J.P. Morgan Mansart	n/a	n/a	n/a	n/a	n/a	n/a

Note: The J.P. Morgan Mansart fund was added at the end of 2025 but no data was available for the relevant reporting period.

Cushon Self Select Options

Cushon White-Labelled fund	Underlying fund	No. of meetings eligible to vote at	No. of resolutions eligible to vote on	% of resolutions voted on for which were eligible	% voted with management	% voted against management	% abstained from voting
Cushon Sustainable Global Equity	L&G Future World Global Equity Index Fund	5881	59848	99.96%	78.56%	20.33%	1.11%
Cushon Sustainable UK Equity	L&G Future World UK Equity Index Fund	415	6463	100%	93.42%	6.56%	0.02%
Cushon Sustainable Europe (ex UK) Equity	L&G Future World Europe (ex UK) Equity Index Fund	376	6907	100%	82.52%	17.00%	0.48%
Cushon Sustainable Japanese Equity	L&G Future World Japan Equity Index Fund	297	3677	100%	92.52%	7.48%	0%
Cushon Sustainable North American Equity	L&G Future World North America Equity Index Fund	522	6892	99.70%	58.39%	40.77%	0.84%
Cushon Sustainable Pacific ex Japan Equity	L&G Future World Asia Pacific (ex-Japan) Developed Equity Index Fund	154	1209	100%	79.98%	20.02%	0%
Cushon Sustainable Emerging Markets Equity	L&G Future World Emerging Markets Equity Index Fund	4117	34700	100%	77.46%	20.89%	1.65%
Cushon Global Impact	Baillie Gifford Positive Change Fund	40	448	100%	93.75%	5.58%	0.67%
Cushon Shariah	HSBC Islamic Global	108	1,627	97%	83%	16%	0%

	Equity Index Fund						

Note: Percentages may not add to 100% due to rounding. Data for the Baillie Gifford Positive Change Fund covers data for the full Scheme year, however the Trustees disinvested in May 2025.

Case Study: Macquarie and Microsoft Corporation

Investment Manager	Macquarie Asset Management (MAM)
Target company/sector	Microsoft Corporation
Approximate size (%) of holding	3.30%
Date of Resolution	05/12/2025
Resolution	Report on risks of operating in countries with significant human rights concerns
Vote submitted	FOR
Rationale	A vote FOR this resolution is warranted. Shareholders would benefit from increased disclosure regrading how the company is assessing the implications of siting data centers in countries of significant human rights concerns. This vote has been reported on given it is a significant holding in the portfolio. The vote has been deemed significant as it aligns with the stewardship priority on labour rights.
Outcomes and Next Steps	Fail (72% against). Continued monitoring of progress.

Case Study: Legal & General and Shell

Investment Manager	Legal & General (L&G Future World UK Equity Index)
Target company/sector	Shell plc
Approximate size (%) of holding	3.5%
Date of Resolution	20/05/2025
Resolution	Request company disclose whether and how its: demand forecast for LNG; LNG production and sales targets; and new capital expenditure in natural gas assets; are consistent with climate commitments, including target to reach net zero emissions.
Vote submitted	AGAINST
Rationale	LGIM voted against this resolution after careful consideration. This decision followed a series of constructive engagements with Shell's leadership, during which the company committed to improving disclosures on stranded asset risks and financial resilience relating to its LNG operations. LGIM acknowledge meaningful progress in Shell's reporting, which now provides a clearer basis for assessing climate related risks. In light of these developments LGIM believes the resolution's key objectives are already being addressed through ongoing company actions.

	This vote has been reported on given it is a significant holding in this fund, and demonstrates an instance where voting against further climate disclosure may be appropriate. The vote has been deemed significant as it aligns with the stewardship priority on climate alignment.
Outcomes and Next Steps	Fail (20.6% for). LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.

Case Study: Baillie Gifford and Illumina Inc.

Investment Manager	Baillie Gifford
Target company/sector	Illumina Inc.
Approximate size (%) of holding	1.74%
Date of Resolution	21/05/2025
Resolution	Ratification of the appointed auditor
Vote submitted	AGAINST
Rationale	The proposed auditor has been in place at Illumina for over 20 years. Baillie Gifford believes the auditor should be rotated at least every 20 years to maintain independence and appropriate oversight of the company's audit process and internal financial controls. In America, there is no regulatory requirement to change auditor. This vote has been reported on as it is a significant holding and it represents and instance in which a manager voted against a resolution. The vote has been deemed significant as it highlights consideration of improved corporate governance.
Outcomes and Next Steps	Pass (Unknown majority). Baillie Gifford will continue to communicate their view to Illumina and vote accordingly.

Appendix

Below is a summary of stewardship approaches of each fund manager within the investment strategies.

Macquarie Asset Management (MAM)

Macquarie use the PRI's definition for engagement, referring to interactions between the investor and current or potential investee company's on ESG issues. Engagements are undertaken to influence (or identify the need to influence) ESG practices and/or improve ESG disclosure. The underlying aim of the engagement dialogue should always be to preserve and enhance the value of assets on behalf of beneficiaries and clients. Communicating with the company to gain information, attending regular analyst calls or sending letters with no response would not qualify as engagement.

Most engagements are conducted with board directors, senior management, subject specialists, or investor relations at individual issuers. Identifying key personnel at target companies and establishing mutually respected and professional relationships with them is valuable in achieving success through engagements. MAM is involved in a number of standards, initiatives, and frameworks of which are summarised below:

- Principles for Responsible Investment (PRI): MAM has been a signatory to the UN Principles for Responsible Investment since 2015. As signatories to the PRI, we utilise the principles as a source of possible actions for incorporating ESG issues into our investment practices.
- CDP: Macquarie Group Limited ("Macquarie"), the holding company of MAM, has been a signatory to CDP since 2008 and communicates publicly about climate change via the CDP's website.
- Global Reporting Initiative (GRI): Macquarie also reports annually on its approach to ESG — and how it affects investments and financial products — in its Annual Financial Report. The ESG disclosures in Macquarie's Annual Financial Report have been prepared in accordance with the GRI Standards.
- Task Force on Climate-related Financial Disclosures (TCFD): Macquarie has been supporting the important work of the TCFD since 2018, becoming a formal supporter in 2019, and has been actively implementing the TCFD recommendations. We have been reporting on progress annually since the release of Macquarie's first TCFD implementation progress and scenario analysis report in May 2019. The latest update is available in Macquarie's Net Zero and Climate Risk Report. Further, since 2020, PRI signatories, of which MAM has been one since 2015, have been required to report to the PRI on several indicators regarding their management of risks and opportunities related to climate change. These indicators are modelled on the disclosure framework of the Financial Stability Board's Task Force on Climate-related Disclosures (TCFD).
- FRS Sustainability Alliance: The public markets business of MAM was an original member of the Sustainability Accounting Standards Board (SASB) Alliance, now the IFRS Sustainability Alliance, having been a signatory since 2017. Members share the belief in the benefits of a coherent and comprehensive system for corporate disclosure and a more integrated approach to the way organisations, plan and disclose their approach to value creation. Furthermore, Macquarie's FY2023 ESG Report has been prepared with reference to the guidance of select SASB Standards.
- Climate Action 100+ (CA100+): MAM became a member of Climate Action 100+ in July 2020. As a member of Climate Action 100+, we have an obligation to collaboratively engage with companies that emit a high level of greenhouse gas emissions or have significant opportunities to drive the clean energy transition and achieve the goals of the Paris Agreement.
- Transition Pathway Initiative (TPI): MAM has been a supporter of TPI since 2020, which is an asset-owner led initiative that assesses companies' preparedness for the transition to a low carbon economy.

- Net Zero Asset Managers initiative (NZAMi): MAM joined the NZAMi in March 2021. NZAMi is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C; and to supporting investing aligned with net zero emissions by 2050 or sooner.
- World Benchmarking Alliance (WBA): MAM joined the WBA in April 2021, a collective of organisations working at global, regional, and local levels to shape the private sector's contributions to achieving the SDGs. As an Ally, MAM is committed to WBA's mission, vision, and values, and believes in the power of benchmarks and cross-sector partnerships to drive systematic progress on the UN SDG's. Since joining, we have been actively involved in two collaborative engagements: sustainable supply chains in food and agriculture, and digital inclusion/ethical AI.
- Global Impact Investing Network: As of February 2022, MAM is an active member of the Global Impact Investing Network. In addition to providing members with more details on their public catalogue of IRIS+ metrics (including ability to have input as new metrics are developed), they offer a community of best practices. This includes new regulations and standards like SFDR, impact frameworks and what others in the industry are doing in managing and communicating their positive impact and networking events.
- UK Stewardship Code: The ValueInvest Global Equity Team, which is a part of MAM, has been a signatory to the UK Stewardship Code since April 2015. MAM as a whole has been a signatory to the UK Stewardship Code since September 2022. As a signatory, we submit an annual report to the Financial Reporting Council (FRC) covering how we apply the 12 Principles of the Code.
- Institutional Investors Group on Climate Change (IIGCC): MAM has been a member of the IIGCC since 2020. The mission is to support and enable the investment community in driving significant and real progress by 2030 towards a net zero and resilient future. This will be achieved through capital allocation decisions, stewardship and successful engagement with companies, policy makers and fellow investors. MAM is also a member of the Investor Group on Climate Change (IGCC), a collection of Australian and New Zealand investors, which supports IIGCC.
- GRESB: MAM has been a member of GRESB since 2016. GRESB is a mission-driven and industry-led organisation that provides actionable and transparent environmental, social and governance (ESG) data to financial markets.
- Investors Against Slavery and Trafficking Asia Pacific (IAST APAC) Macquarie joined in 2023. The IAST APAC initiative is an investor-led, multistakeholder project. It was established in 2020 to engage with companies in the Asia-Pacific region to promote effective action in finding, fixing and preventing modern slavery in operations and supply chains. Investors can achieve greater impact working collaboratively and drawing on various sources of knowledge and expertise to assess and address modern slavery risk in operations and supply chains.

As part of their fiduciary duty and PRI signatory requirements, the MSI team undertakes targeted direct company engagement. Not only is engagement a responsibility, but it aims to maximise the value of common economic, social and environmental assets, on which financial returns and clients' and beneficiaries' interests depend*. A key part of our engagement approach is to ensure that we clearly communicate our expectations of companies as a method for managing ESG risks and opportunities. We have developed a clear and consistent set of guidelines for companies. These are communicated during a meeting, generally one-on-one, or in follow-up correspondence. Guidelines provide an anchor from which we can measure success and hold companies to account through further engagement.

J.P. Morgan Mansart

J.P. Morgan believe that robust investment stewardship practices are an important part of their fiduciary duty and that it can produce better client outcomes and contribute to long-term value creation.

Stewardship activities are shaped by themes that cover climate change, natural capital/ecosystems, human capital management, social stakeholder management, governance and strategy alignment.

Engagements are based on in-depth company research, alongside their assessment of macroeconomic drivers, sector specific factors and financially material ESG themes. They seek to intervene proactively as responsible stewards before risks are realised and opportunities missed. They do this by considering:

- Intentionality: Acting in the best interests of clients by encouraging investee companies to focus on prudent allocation of capital and long-term value creation
- Materiality: Understanding how factors impacting sustainability are financially significant to individual companies over time, understanding that the regions, cultures and organisations in which they invest differ greatly
- Additionality: Focusing on strategic issues that are most urgently in need of involvement to deliver better long-term return to clients.
- Transparency: Seeking to be clear about the investment stewardship work that is performed.

They also target an enhanced engagement program where they aim to prioritise companies that require more time and attention. This involves a focus list of companies that they have a meaningful investment exposure to, and where research has identified financially material ESG risks and opportunities. Engagements are thematic, based on key topics that have been identified as potentially material and reactive, in response to corporate actions and notable events/developments.

For voting, they have developed proxy voting guidelines reflective of the regions in which they operate. They are consistent with law and expectations of good governance practices in different locations. Ultimately they aim to vote in way that promotes the long-term interests of clients.

Further detail, along with policies and commitments, can be found here https://am.jpmorgan.com/gb/en/asset-management/adv/about-us/investment-stewardship/

Lombard Odier Investment Management (LOIM)

The Manager defines an engagement as the sum of all interactions with a single company on a single, defined main issue. The Manager defines an interaction as an exchange with a company during a short period.

The Manager's engagement strategy is part of its fundamental investment process. The Manager prioritises engagement with companies in line with its two stewardship objectives:

1. promoting alignment with the sustainability transition: in line with LO sustainability framework, through engagement the Manager promotes:
    - higher ambition and credibility in companies' sustainability transitions;
    - better & improved overall disclosures/practices; and
    - seek to address controversies.
2. promoting green alpha: through engagement the Manager support companies as they reposition themselves with shifting profit pools which arise from the sustainability transition.

Ninety One

Engagement for Ninety One is communication with purpose and an identifiable outcome. They break this down into three different types of engagement; strategic, general and advocacy:

- Strategic: Strategic engagements focus on critical issues with entities they believe they can influence. These can cover sustainability, business-model and operational issues. They believe these engagements enhance their understanding of sustainability risks and can provide the opportunity to improve outcomes.
- General: General engagements form part of the investment process, focusing on engagement goals that are not prioritised for strategic engagement, including particularly corporate governance.
- Advocacy: They identify a limited number of advocacy projects relating to themes that are relevant to our clients and the firm, which often involves collaboration and information sharing with NGOs, industry organisations and policymakers.

Wellington

As a firm with a long history of conducting independent fundamental research, direct engagement with company management teams on a range of issues, including ESG, has always been a core part of Wellington's investment process. The majority of their company research is the result of direct contact with company management, both in their offices and onsite, as well as contacts with company suppliers, customers, and competitors. Each year, Wellington Management participates in more than 18,500 meetings with company management teams from around the world. Portfolio managers, industry analysts, and ESG analysts all take part in ongoing dialogues with companies, conducting ~500 ESG focused engagements a year. Maintaining this ongoing dialogue is central to how they discharge stewardship responsibilities on behalf of clients.

As active fixed income impact investors, Wellington believe engagement with issuers can derive meaningful insights related to their achievement of impact, progress against sustainability targets, and ongoing improvements to ESG practices. Engagement enables Wellington to identify and assess investment risks and opportunities while also helping ensure that issuers generate meaningful impact year after year. The goal of engagement activities is to support decisions that they believe will both maximise the long-term value of securities and achieve impact objectives. The Global Impact Bond Team works with Wellington's ESG Research Team to carry out engagements targeted towards four key priorities:

1. Understand causes for and plans to improve impact KPI underperformance
2. Understand the causes for and plans to improve poor ESG practices
3. Encourage outsized contributors to the portfolio's carbon footprint to improve carbon emissions disclosures and set science-based reduction targets
4. Assist issuers with sustainable labelled bond structure and deal development

Wellington's engagements and agenda are coordinated with their ESG Team, who are as a shared resource of the firm across both equity and fixed income asset classes and serve as a partner to PM teams. ESG Analysts help to inform understanding of the ESG risks and opportunities to which issuers are exposed and utilize sector-based materiality frameworks to inform the topics discussed during engagements. Engagements can take the form of an agenda on a regular investor call or a focused communication regarding a particular issue and can include meeting with company boards, speaking to non-executive directors, carrying out proxy voting (broader impact team manages both equity and bond strategies), or participating in stakeholder dialogues.

Engagement remains a key focus of the team and they believe engagement with issuers can derive meaningful insights related to issuer achievement of impact, progress against sustainability targets, and ongoing improvements to ESG practices. Engagement enables Wellington to identify and assess investment risks and opportunities while also helping ensure that issuers generate meaningful impact year after year.

Over the past 12 months, they have expanded the scope of engagements, with an increased focus on non-corporate entities. As impact investors investing across the spectrum of public market fixed income sectors, they see it as essential to engage with a variety of stakeholders in order to best promote improved standards and behaviour in the industry, with the ultimate goal of magnifying the scope of their impact and adding value for clients. During this period, our engagements have spanned sovereign issuers, government-sponsored enterprises, development banks and structured finance issuers. As non-corporate entities can often make up a large part of the Fund, this is a significant step in enhancing their stewardship capabilities.

Schroders

At Schroders Capital, their ambition is to provide excellent investment performance to clients through active management and responsible stewardship. In private assets, active ownership and stakeholder engagement is fundamental to their regular business activity acting as a responsible manager of the assets, particularly where they invest directly in real estate and infrastructure businesses. The nature of engagement and active ownership, as well as its intended outcomes, differ from one asset to the other to meet this essential goal. It is their belief that better management of sustainability factors can improve returns; for example, through discovering new sources of growth and/or reducing risks such as increasing resilience to ongoing political and regulatory changes. A growing evidence base shows the benefits of enhanced sustainability profiles in private markets, such as more stable returns in private equity, and enhanced occupier appeal and reduced operating expenses for early sustainability movers in real estate.

Schroders regard the concept of active ownership and acts of engagement as an important component of their fiduciary duty and responsibilities as asset managers. Private assets investment strategies have distinct characteristics including typically longer investment horizons, the provision of capital for tangible assets and a greater ability to operate and enhance assets. These features can provide Schroders with an opportunity to build operational and financial value from origination to exit along all the different steps of their investment process.

The active selection, management and monitoring of assets over the long-term means Schroders proactively engage with key stakeholders throughout the investment life cycle. By doing this, they can mitigate investment risks and optimise portfolios to capture future growth potential leading to enhanced financial and sustainability performance. Schroders can add value by screening, assessing and capturing the right investment opportunities and improving the profile of their investments over their lifetimes, either directly or indirectly, through the boards and management of assets. This requires extensive sector expertise, a strong footprint on the ground, entrepreneurial spirit, and a long-term lens.

At Schroders Capital, they seek to deliver S&I investment at scale. For sustainable investing strategies, the focus is to improve assets' sustainability practices and characteristics. For impact-driven strategies, it means contributing financial and non-financial support to enhance impact through products and services in line with the strategy's theory of change. Schroders account for the progress made in achieving this ambition in their Annual Sustainability and impact report.

Schroders have set out an engagement blueprint for their private markets portfolio which explains in detail how engagement is factored into the life cycle of private markets investments. This includes escalations and iterative steps for different asset classes such as private equity and real estate. This blueprint can be found at the following link: https://mybrand.schroders.com/m/67cc46846449900f/original/schroders-capital-private-markets-engagement-blueprint.pdf

Aviva Investors

Aviva Investors take a holistic approach to stewardship in which they engage across corporates (direct and issuers), value chains, countries and international institutions. This allows them to try and influence from the top-down and bottom-up. Their approach operates across six different levels of the economy, as described below:

- **Level 1, Direct:** Through private markets, Aviva have the opportunity to develop property, infrastructure and nature-based projects that seek to deliver strong risk-adjusted returns and align with social and environmental objectives
- **Level 2, Issuer:** This is stewardship carried out among owners of shares and bonds, where they engage in constructive dialogue to gather insights to inform investment decisions as well as voice support for sustainable practices
- **Level 3, Sector:** This is engagement across industries to address structural problems that discrete interactions with individual companies will not fix.
- **Level 4, Value Chain:** Similar to sector, some solutions have to come from collaboration between, for example, companies responsible for significant carbon emissions and those that rely on their products
- **Level 5, Country:** Country-level stewardship is conducted through dialogue with governments, including policymakers at finance ministries, central banks and climate departments
- **Level 6, International Institutions:** International action. Global challenges are not constrained by physical borders, so effective stewardship efforts must also have an international reach. Aviva's sustainable finance centre for excellence, engages with global policymakers, standard setters and other changemakers with the intention of accelerating system-wide reform to correct market failures.

Based on this holistic stewardship approach, Aviva have adopted a climate stewardship 2030 programme that aims to help address corporate practices and systemic barriers, to drive sustainable value creation. This programme combines policy insights and investment insights to engage directly with corporates and the wider value chain. This is coordinated by Aviva Investors' sustainable investing function, in collaboration with investment teams and Aviva's public policy team.

L&G

L&G agree with the Trustees definition of engagement which is: Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.

L&G believe effective stewardship involves working with companies, regulators, policymakers, peers and other stakeholders around the world to tackle systemic issues, material risks and opportunities – as well as collaborating with investment experts to identify future challenges. As a large index investor, GIM take a 'universal owner' approach to stewardship and engagement, seeking to improve ESG factors across the markets in which their clients are invested.

The policy dialogue for L&G in 2023 spanned a range of issues globally, covering multilateral policy in markets including the US, UK, Japan, Brazil, and Europe. L&G believe in collaboration and regularly work with peers, industry groups, NGOs, academia and civil society. They look forward to continuing engagements with a broad range of third parties. By joining forces with collaborative organisations, they aim to broaden their reach. L&G is a member or supporter of multiple associations and initiatives working on sustainability themes, including the CA100+, the Asian Corporate Governance Association and the Institutional Investors Group on Climate Change, the 30% Club (including regional chapters), the Platform for Living Wage Financials, and the Access to Nutrition Initiative.

In line with their 'universal owner' approach, they focus stewardship activities on 6 global stewardship themes (with 21 underlying sub-themes), which represent areas of financial materiality for their clients and where L&G as an investment manager can use its influence. These themes are climate, nature, people, health, governance and digitisation. In seeking to drive market-level change, they engage not only with companies, but also in policy dialogue. L&G's global policy dialogue is aimed at helping to create an appropriate regulatory backdrop by removing policy and structural barriers to reform on ESG issues; it is a vital counterpart to their global corporate engagement. In selecting companies for direct engagement, L&G aim to identify those which are not yet leaders on ESG but through their improvement, are likely to have a positive effect on their broader industry and supply chains as a whole, on account of their scale and influence. Additionally, they use L&G ESG Score (covering roughly 17,000 companies) and Climate Impact Pledge Scores (covering roughly 5,000+ companies) help rank companies more broadly on their E, S and G credentials and to identify 'dial mover' companies for engagement. L&G's focus on improving systemic areas of ESG risk differentiates them from a company-level focused approach.

HSBC Asset Management

HSBC AM defines engagement as purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.

HSBC AM engages with a range of stakeholders including corporates, governments, financial counterparties, regulators and industry bodies. In 2023, their engagements, numerically speaking, were mainly with corporate issuers and counterparts. The focus was on individual improvements on climate-related strategies, governance structure and social issues (management of workforce and addressing human rights violation risks). Some of their most impactful change comes from their engagement with groups such as stock exchanges, investor groups, and regulators.

HSBC AM believes that engaging for positive change/impact with an individual issuer is equally as important as market-wide or system risks, and in fact the two are largely inter-related. Often, we need to achieve change at both levels to achieve overall market-wide change on a particular issue. An example of seeking to improve market-wide risks includes their ongoing involvement with the Carbon Disclosure Project. For more information, please see their Annual Responsible Investment Review Report available on their website: https://www.assetmanagement.hsbc.co.uk/en/institutional-investor/about-us/responsible-investing/policies

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